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Proposed programme budget for the biennium 2008-2009

Construction of additional conference facilities at the Vienna International Centre

Report of the Secretary-General*

Summary

In section I of its resolution 61/252, the General Assembly took note with appreciation of the efforts of the Government of Austria, as host country, to construct conference facilities at the Vienna International Centre. The present report is submitted to provide information on progress made in the construction of additional conference facilities at the Vienna International Centre since the issuance of the last report of the Secretary-General (A/61/166).

* The submission of the report was delayed owing to the need for extensive consultations in the overall context of ongoing capital expenditure projects.

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I. Introduction

1. In section I of its resolution 61/252, the General Assembly took note with appreciation of the efforts by the Government of Austria, as host country, to construct conference facilities at the Vienna International Centre, as detailed in the last report of the Secretary-General on the construction of additional conference facilities at the Vienna International Centre (A/61/166), and endorsed the related observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report (A/61/361).

2. The present report provides updated information on the status of the construction of additional conference facilities at the Vienna International Centre, and progress to date since the issuance of the last report of the Secretary-General.

II. Status of development of the project

3. The building permit for the new conference facility at the Vienna International Centre was obtained in July 2006 and construction work began in late August 2006. It is anticipated that construction will be completed by the end of 2007, that the installation of technical equipment will be completed by mid-2008 and that the building will be operational once the details of, inter alia, network infrastructure, catering facilities and security installations are finalized. It is envisaged that the four organizations based at the Vienna International Centre will begin using the new M building in September and October 2008, and it is planned to hold one or two conferences in November and/or December 2008 in the new building, on a trial basis. Full use of the building is tentatively planned for 1 January 2009, when the C building, where conferences are currently held, will be closed for asbestos removal. Following completion of the asbestos removal and refurbishment project, it is envisaged that the International Atomic Energy Agency (IAEA) would remain in the M building as its main user, while the three other organizations (the United Nations Office at Vienna, the United Nations Industrial Development Organization (UNIDO) and the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO)) would rely primarily on the C building, except for large conferences and meetings.

III. United Nations contribution to the construction of additional conference facilities at the Vienna International Centre

4. Under the terms of a memorandum of understanding signed on 18 October 2004, which set a ceiling of €52.5 million for the construction of additional conference facilities, the four organizations based at the Vienna International Centre (IAEA, UNIDO, CTBTO and the United Nations Office at Vienna) would collectively contribute €2.5 million. After a review of various cost-sharing scenarios, those four organizations agreed to adopt the cost-sharing ratios based on the projected utilization of the new conference facilities to determine their share of the total amount. The United Nations share of contribution is set at 4 per cent, which will be covered by a provision of $117,700 (€100,000) included in the proposed programme budget for the biennium 2008-2009 under section 32, Construction, alteration, improvement and major maintenance.

IV. Maintenance costs of the additional conference facilities at the Vienna International Centre

5. No additional operational and maintenance costs are anticipated for the period during which the new facility is used as swing space when the removal of asbestos from and refurbishment of the existing conference building (C building) are in progress. Once the asbestos removal project is completed, it will be necessary for the organizations based at the Vienna International Centre to share the additional maintenance and operational costs relating to the utilization of the building, as well as additional security and safety costs in order to meet headquarters minimum operating security standards. The present cost-sharing formula, which is based on actual usage of space, will be applied to apportion the costs among the four organizations for their utilization of the entirety of the conference facilities available at the Vienna International Centre (i.e., the C and M buildings combined). The related financial requirements will be dealt with in conjunction with other common support costs in the context of the proposed programme budget for the relevant biennium. The M building, being a new building with many cost-saving features, is expected to be less expensive to maintain than other buildings at the Vienna International Centre. Nevertheless, since the conference capacity will be taken as a combined whole, all the organizations based at the Vienna International Centre will benefit proportionately from the M building's efficiency features.

V. Asbestos removal project

6. The asbestos removal work at the Vienna International Centre, which began in November 2004, will continue during the biennium 2008-2009 and beyond. All direct costs related to the removal of asbestos are to be borne by the host Government. At the time of writing of the present report, the overall implementation rate of the asbestos removal was 50 per cent, reflecting the completion of work in relation to four of the six towers (A, B, D and E) of the Vienna International Centre, which contain mostly offices. Asbestos removal work in the towers that accommodate joint and common services (F and G) will commence in late 2007 and continue into 2009. The asbestos removal for the building that houses primarily conference facilities and related services is scheduled to commence during the biennium 2008-2009. Accordingly, the total project plan is expected to be completed by mid-2011. The organizations based at the Vienna International Centre bear the cost of moving staff to and from the temporary office facilities. The opportunity provided by the asbestos removal work was used by the UNIDO Buildings Management Service to develop, initiate and implement major projects, such as the upgrading of cabling and replacing of windows and carpets, in a more cost-effective way. Those projects, if undertaken independently, would be prohibitively expensive, and therefore the organizations are jointly committed to taking advantage of this opportunity. The requirements for the United Nations Office at Vienna for those physical upgrades are included under section 32, Construction, alteration, improvement and major maintenance, of the proposed programme budget for the biennium 2008-2009.

VI. Action to be taken by the General Assembly

7. The General Assembly may wish to take note of the present progress report.